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UNCLAS SECTION 01 OF 03 KATHMANDU 000960

SIPDIS

STATE FOR SA/INS AND DS/IP/NEA  
STATE ALSO PLEASE PASS USAID/DCHA/OFDA  
STATE ALSO PLEASE PASS PEACE CORPS HQ  
USAID FOR ANE/AA GORDON WEST AND JIM BEVER  
MANILA FOR USAID/DCHA/OFDA  
LONDON FOR POL/RIEDEL  
TREASURY FOR GENERAL COUNSEL/DAUFHAUSER AND DAS JZARATE  
TREASURY ALSO FOR OFAC/RNEWCOMB AND TASK FORCE ON TERRORIST  
FINANCING  
JUSTICE FOR OFFICE OF THE DEPUTY ATTORNEY GENERAL/DLAUFMAN

E.O. 12958: N/A

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SUBJECT: UPDATE ON NEPAL'S MAOIST INSURGENCY, May 17-23

REFERENCE (A) KATHMANDU 0902

(B) KATHMANDU 0945

(C) KATHMANDU 0140

SUMMARY

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1. No date has been set yet for the third round of peace talks. However, the controversy continues around restrictions on the movements of the Royal Nepal Army (RNA). Maoist leaders have demanded explanations for the statements made by Ramesh Nath Pandey, Minister for Information and Communication and government negotiating team member, denying that any agreement has been reached about limiting the RNA. The release of three Maoist Central Committee Members has been delayed. The RNA continues its humanitarian assistance and medical treatment outreach efforts. Amnesty International (AI) announced on May 19 that it intends to send a delegation to Nepal. The All Nepal National Independent Students' Union-Revolutionary (ANNISU) has forced the closure of accounting offices in over twenty-four private schools. A Maoist Central Committee Member admitted in a local interview that fear of the U.S. military drove the Maoists to the negotiating table. Maoists abducted fifteen civilians, tortured four others, and continue to extort money. Victims of the Maoist insurgency continue to voice their objections to being excluded from the peace process. End Summary.

MAOISTS WANT PANDEY OUT

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2. Baburam Bhattarai, Maoist ideologue and head of the Maoist negotiating team, angrily reacted to statements by Ramesh Nath Pandey, Minister for Information and Communication and government negotiating team member, in which Pandey said that no agreement was reached regarding the restriction of the Royal Nepal Army's (RNA's) movements to only five kilometers from their barracks (Ref A). Bhattarai, speaking at a hastily called press conference on May 15, said Pandey's denial of the agreement was a "blatant lie" and a betrayal of the peace process. The Maoist ideologue reiterated his claim that the agreement to restrict the RNA's movements was reached during the second round of peace talks, and said the government should get rid of the "liars" on its team. In addition to the demand for a new "trustworthy and powerful (government) team," Bhattarai said that the Maoists want clarification of Pandey's statements, an immediate halt to international intervention and "dubious" activities, the immediate release of their three Central Committee Members, and a halt to public comments by the army.

3. Narayan Singh Pun, Minister of Physical Planning and Works and government negotiating team member, in response to Bhattarai's complaints against Pandey, said that there had been some "misunderstandings" between the government and the Maoists, but told reporters that the Maoists were right about the agreement made to restrict the army. In direct contrast to Pun's statement, however, Badri Narayan Basnet, Minister for Forest and Soil Conservation, reportedly concurred with Pandey and said that no agreement had been reached. To date, the RNA has continued normal operations.

MAOISTS FEAR U.S. MILITARY

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4. During an interview with a local publication in May, Matrika Prasad Yadav, a Maoist Politburo member and negotiating team member, conceded that the fear of American intervention prompted the Maoists to return to the negotiating table. Yadav reportedly said that the growing influence of the United States remains a concern to the

Maoists. The insurgents have enjoyed many victories over GON security forces, Yadav claimed, but conceded that the Maoists are not ready to take on American forces and will remain at the negotiating table as long as necessary to forestall more direct U.S. military involvement.

#### RELEASE OF MAOIST LEADERS DELAYED

15. Despite reported government assurances that the Maoists' three Central Committee Members would be released, the GON instead filed a detention order, extending the prison sentence another six months for one of them. Krishna Bahadur Mahara, Maoist spokesman, issued a press release on May 21 criticizing the move, and declared the Maoists were taking this action "very seriously." Mahara questioned the GON's motives in extending the jail sentence and accused the GON of violating the code of conduct.

#### MAOIST VIOLATIONS INCREASE

16. Maoist cadres have continued to violate the ceasefire agreement by abducting civilians in three separate southeastern districts. Two civilians were abducted from Siraha District on May 20, while on May 19, nine family members were abducted by insurgents in Dhanusha District. The family members reportedly are members of the Nepali Congress (NC) party, and had refused to contribute to the Maoists. The insurgents also reportedly accused them of being informants. Their whereabouts remain unknown. Maoists also abducted three former members of local Village Development Committees (VDCs) in Sindhuli District, and another Nepali Congress supporter from Morang District, who remains missing. Four civilians, including a woman, were tortured by Maoists in the northern district of Gorkha after the insurgents were given tap water to drink instead of filtered water.

17. Maoists reportedly have continued extorting money from tourists in the northeastern region of Dolakha, demanding "donations" from as many as seven tourist groups in a week. According to press reports, the Maoist leaders in the region have admitted the practice, declaring that the money will be used for "development purposes," and therefore is not a violation of the code of conduct. In the mid-western district of Rolpa, the insurgents reportedly have also been issuing trading licenses to local merchants. Merchants are forced to give a "voluntary donation" in order to receive permission to sell their goods. The Rolpa Chief District Officer (CDO) was quoted as saying that the Maoists are in direct violation of the code of conduct, and that the activities should stop immediately.

#### RNA CONTINUES HEALTH CAMPS

18. The Royal Nepal Army (RNA) conducted free health camps across Nepal, providing dental care, medical treatment, and various humanitarian services (Ref B). According to press reports, Army personnel provided assistance to almost four thousand villagers in the districts of Surkhet, Siraha, Bharatpur, Itahari, Sindhuli, Dolakha, and Udayapur. The army also distributed supplies to elementary schools in Udayapur District, and repaired desks and benches in the schools. In Bharatpur, a blood drive was also held.

#### AI TO SEND DELEGATION TO NEPAL

19. Amnesty International (AI) announced on May 19 that it will send a delegation to Nepal to discuss its concern over increasing human rights violations by both the security forces and the insurgents, despite a three-month ceasefire. In its press release, AI urged the Maoists and the GON to establish immediately an effective monitoring team, and provide the necessary resources to conduct impartial investigations of alleged human rights violations.

#### ANNISU-R THREATENS TO CLOSE PRIVATE SCHOOLS

10. The All Nepal National Independent Students' Union-Revolutionary (ANNISU) has forced the closure of accounting offices in over twenty-four schools. The Maoist aligned student group said the offices would be closed indefinitely. The disruption in services and continued threats from members of ANNISU-R has caused some private schools to consider closing permanently, and has stirred the anger of parents, many of whom are pleading with school principals to keep the schools open. ANNISU-R has demanded that tuition fees be lowered, and locked the accounting offices in protest.

#### MAOIST VICTIMS DEMAND JUSTICE

11. Victims of the Maoist insurgency complain that they remain without a voice in the peace process. The daughter of Mohan Krishna Shrestha, the Inspector General of the Armed Police Force, who was brutally murdered along with his wife and bodyguard (Ref C), told a local publication on May 16 that the GON should not have released those responsible for her parents' murder. Shrestha said the murders have been forgotten under the pretext of not disturbing the peace process. Victims' groups have been persistent in trying to get their needs on the agenda, but Minister Pun acknowledged that the issue of civilian killings has not yet "figured into the peace negotiations."

BOGGS